

Department of Administration

Analyst: Burns

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY PROGRAM					
Director's Office	1,367,500	1,233,100	1,446,900	1,431,600	1,463,700
Administrative Rules	542,700	453,600	554,700	566,600	574,400
ITRMC	704,300	500,300	727,700	830,500	762,800
Information Technology	5,792,500	5,138,200	2,234,500	3,178,600	3,943,800
Public Works	18,306,300	12,622,300	11,922,200	11,492,500	11,605,000
Purchasing	3,383,800	2,967,700	3,473,200	3,598,400	3,651,400
Insurance Management	1,434,100	1,270,700	1,732,300	1,487,600	1,511,900
Bond Payments	16,542,000	15,618,700	36,646,600	35,546,600	89,169,600
Total:	48,073,200	39,804,600	58,738,100	58,132,400	112,682,600
BY FUND CATEGORY					
General	9,016,600	8,754,200	8,955,100	8,574,700	63,543,500
Dedicated	39,056,600	31,034,900	49,783,000	49,557,700	49,139,100
Federal	0	15,500	0	0	0
Total:	48,073,200	39,804,600	58,738,100	58,132,400	112,682,600
Percent Change:		(17.2%)	47.6%	(1.0%)	91.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,967,900	8,845,500	9,082,000	9,570,600	9,794,700
Operating Expenditures	26,383,900	18,402,500	20,877,300	26,109,300	23,948,000
Capital Outlay	11,382,400	12,556,600	8,178,200	22,452,500	78,939,900
Lump Sum	339,000	0	20,600,600	0	0
Total:	48,073,200	39,804,600	58,738,100	58,132,400	112,682,600
Full-Time Positions (FTP)	175.10	175.10	153.10	154.10	153.10

Division Description

DIRECTOR'S OFFICE: Provides administrative, fiscal, legal, and human resources services to the Department. Administers the Industrial Special Indemnity Fund. The Office also administers the BOND PAYMENTS program (created by the 2003 Legislature) which consolidates within a single program funds to pay for capital projects financed with bonds sold by the Idaho State Building Authority.

ADMINISTRATIVE RULES: Structures, promulgates, and disseminates all administrative rules subject to the Idaho Administrative Procedure Act.

INFORMATION TECHNOLOGY RESOURCE MANAGEMENT COUNCIL (ITRMC): Facilitates a centralized and coordinated approach to the design, procurement and implementation of the state's information systems.

INFORMATION TECHNOLOGY: Operates the IDANET, coordinates Internet, electronic mail, telephone, data and video transmission services, and the statewide microwave system.

PUBLIC WORKS: Develops and oversees construction and renovation projects for state buildings, and manages leases for all state-leased office space.

PURCHASING: Acquires property for all state agencies through the competitive bidding process, provides document management services, assists in the donation of surplus federal property to state and local government and eligible non-profits, and provides mail services to most state agencies.

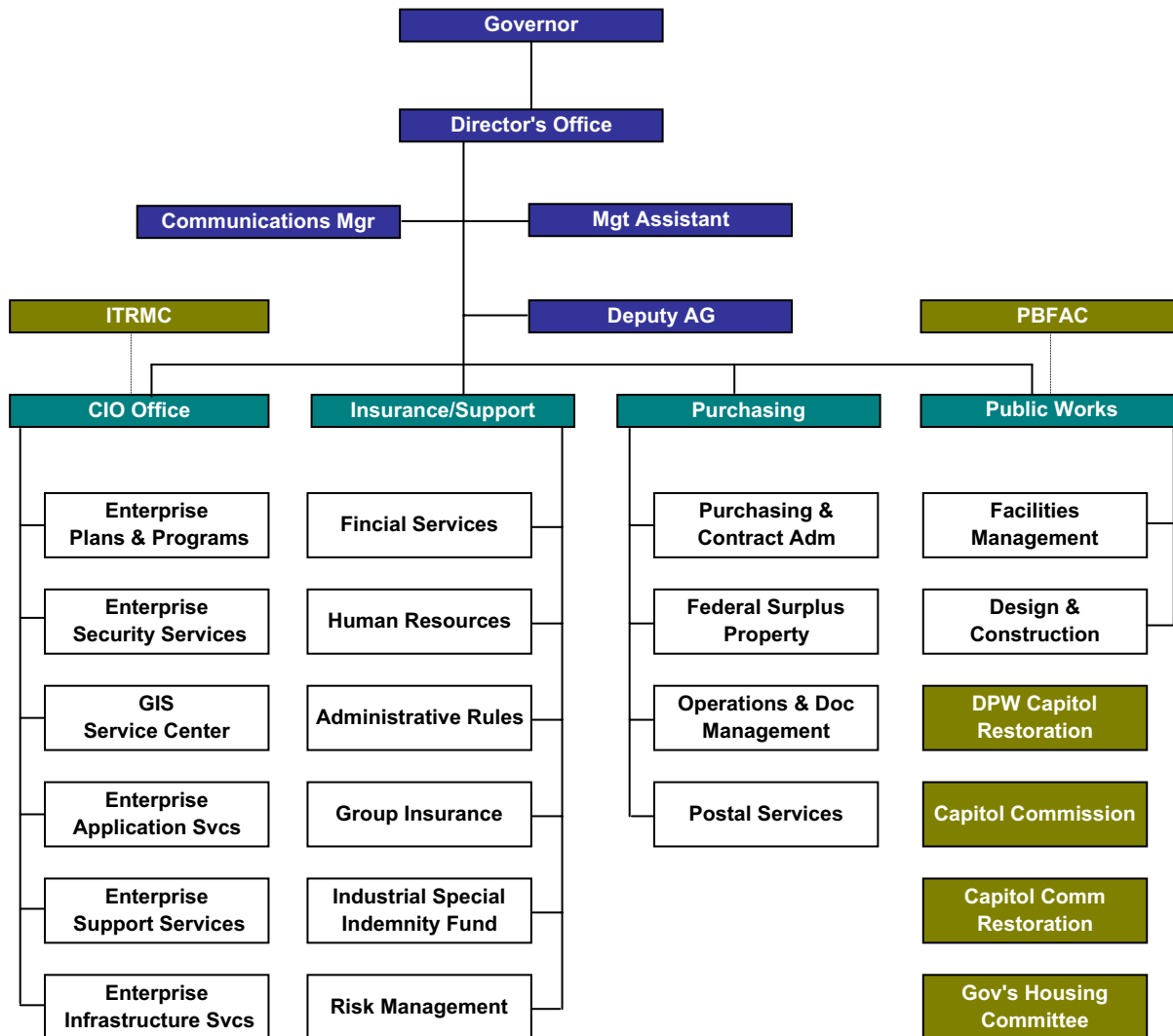
INSURANCE MANAGEMENT: Negotiates and administers medical, dental, life and disability insurance programs and the Integrated Behavioral Health Plan for state employees, provides property and casualty insurance services to state government via insurance and self-insurance.

Department of Administration

Agency Profile

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Organizational Chart



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Sources of Funds

	Percent of Total	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
1. General Fund	22%	8,754,200	8,955,100	8,574,700
Consists of moneys received into the treasury and not specially appropriated to any other fund.				
2. Indirect Cost Recovery (0125-00)	3%	1,090,000	1,319,800	1,320,500
Consists of charges to other bureaus within the Department to allocate administrative overhead costs.				
3. Perm Bldg. Fund (0365-00)	34%	13,415,100	33,725,000	32,550,300
Consists of a \$10 tax paid by every person and corporation required to file an income tax return; \$5 million per year comes from the Sales Tax; 17.3% of 47 cents of the per pack cigarette tax; 33% of the \$4.65 tax per barrel of 31 gallons of beer sold; one-half of state lottery earnings; interest from the Budget Stabilization Fund as well as interest from the PBF itself. Moneys are dedicated to building, renovating, or repairing existing structures. It also is used in support of certain Public Works' activities and for some building bond payments.				
4. Admin. & Acctg. Svcs. (0450-00)	30%	11,766,100	12,465,100	12,856,900
Revenue derived from billing for services including radio, microwave, telephone, postal, building space, parking, purchasing, and record management. It also includes funding for interagency services provided by the department. Some building bond payments come from this fund.				
5. Employee Group Ins. (0461-00)	2%	711,000	743,000	758,600
Funded by a per employee payment by each agency to fund the Group Insurance Program.				
6. Retained Risk (0462-00)	1%	559,700	989,300	729,000
Funds from all premiums and surcharges received under Idaho Code section 67-5777. Used solely for payment of premiums and cost of Insurance Management.				
7. Admin Code (0475-05)	1%	453,600	554,700	566,600
Moneys generated from user fees covers the on-going operational costs of the program.				
8. Industrial Indemnity (0519-00)	1%	241,200	296,800	307,700
Used to pay claimants who have suffered an industrial injury subsequent to either a pre-existing physical impairment or condition which render the claimant totally and permanently disabled.				
9. Surplus Property (0456-00)	1%	275,100	460,900	468,100
Used to manage federal surplus personal property, available for donation to eligible health and educational institutions, units of state and local government, and to civil defense organizations. Funds are derived from charges assessed on any recipient of federal surplus property for the acquisition, warehousing, distribution or transfer of such property.				
10. Eco. Recovery Res. (0150-01)	6%	2,523,100	0	0
Moneys from this fund were used for one-time needs.				
11. Federal Grant (0348-00)	0%	15,500	0	0
Includes moneys received from the federal government for various activities and programs.				
Total	100%	39,804,600	59,509,700	58,132,400

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Selected Measures

	FY 2004	FY 2005	FY 2006	FY 2007
1. Internal Management Systems				
Number of rules promulgated	191	206	210	210
No. of property, casualty, liability and auto ins. claims reported	1,166	1,028	1,047	830 (to date)
No. of active employees enrolled in state's group insurance	18,076	18,495	18,382	19,035
No. of active employee dependents enrolled in state's group insurance	23,022	22,813	23,300	24,210
No. of retirees enrolled in state's group insurance	3,035	3,117	3,217	3,235
No. of retiree dependents in state's group insurance	1,401	1,440	1,486	1,495
2. Public Works				
Dollars appropriated for public works projects not including agency funds	29.0 million	21.3 million	21.1 million	52.4 million
No. of new public works projects	161	183	163	151
No. of closed public works projects	104	148	134	150
Square feet of office space leased statewide	1,855,721	2,059,703	2,046,877	2,061,114
Dollars for office space leased statewide	\$21.8 million	\$23.1 million	\$23.9 million	\$24.3 million
3. Information Technology & Communications				
No. of spam messages blocked from the state's e-mail system	7,213,008	30,623,088	65,831,353	177,873,603
No. of viruses blocked from the state's e-mail system	1,813,835	2,905,913	1,723,906	301,866
No. of virtual visitors to the Idaho home page	100,163,619	86,705,460	85,624,839	93,709,582
No. of government services and applications available on-line	95	108	124	142

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FY 2009 Estimated Debt Service on Bond Indebtedness

Proj. No.	Description	Initial Issue	Maturity Date	Est. Bond Payment*	Source
1	1988 Max/Med prisons	31,295,000	FY 2010	2,410,002	PBF
2	1992 Prison Dorm	3,185,000	FY 2013	260,084	PBF
3	State Hospital North	8,210,000	FY 2013	714,014	PBF
4	Parks & Rec Hdqtrs.	3,125,000	FY 2009	321,743	Gen Fund
5	1998 Prison Complex	58,985,000	FY 2026	4,028,245	Gen Fund
6	Id St. School & Hosp.	9,325,000	FY 2027	648,201	H & W
7	Billingsley Creek	6,815,000	FY 2022	530,878	Gen Fund
8	ISU Rendezvous Ctr.	12,730,000	FY 2024	959,472	PBF
9	BSU West Bldg.	9,180,000	FY 2024	680,022	PBF
10	UI Teaching\Learning Ctr.	12,440,000	FY 2024	921,618	PBF
11	LCSC Activity Ctr.	10,625,000	FY 2024	789,379	PBF
12	NIC Health\Sciences Bldg.	11,665,000	FY 2024	865,231	PBF
13	CSI Fine Arts Addition	5,730,000	FY 2024	426,569	PBF
14	ISP Post Academy	2,425,000	FY 2024	55,000	PBF
15	954 Jefferson St.	2,461,592	FY 2020	234,874	PBF
16	BSU-College of Tech	6,045,000	FY 2017	424,901	PBF
17	EITC	7,969,353	FY 2027	788,869	PBF
18	Capitol Restoration	127,090,000	FY 2015	20,103,215	PBF
Total		339,175,945		35,162,317	
Total Bond Payments By Fund Source					
-	Fund Source:				
	Permanent Building Fund			29,633,250	
	General Fund			4,880,866	
	Other			648,201	
Total				35,162,317	

* Includes both debt service and rent. Does not exactly match agency request due to anticipated fluctuations in amortization schedules.

**Two bonds are not paid through the Department of Administration: Idaho Water Center bond payment of approximately \$2.9 million is paid by the Idaho State Building Authority with agency funds; also, the Lava Hot Springs bond payment of \$65,000 is not paid through the Department of Administration.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	153.10	8,955,100	58,738,100	153.10	8,955,100	58,738,100
Reappropriation	0.00	109,100	1,694,900	0.00	109,100	1,694,900
Other Appropriation Adjustments	0.00	0	0	0.00	0	0
FY 2008 Total Appropriation	153.10	9,064,200	60,433,000	153.10	9,064,200	60,433,000
Expenditure Adjustments	0.00	(109,100)	(923,300)	0.00	(109,100)	(923,300)
FY 2008 Estimated Expenditures	153.10	8,955,100	59,509,700	153.10	8,955,100	59,509,700
Removal of One-Time Expenditures	0.00	(30,000)	(1,692,600)	0.00	(30,000)	(1,692,600)
Base Adjustments	0.00	(1,100,000)	(1,100,000)	0.00	(1,100,000)	(1,100,000)
FY 2009 Base	153.10	7,825,100	56,717,100	153.10	7,825,100	56,717,100
Benefit Costs	0.00	69,200	341,000	0.00	66,900	329,700
Replacement Items	0.00	235,700	313,600	0.00	235,700	313,600
Statewide Cost Allocation	0.00	8,400	(38,000)	0.00	8,400	(38,000)
Change in Employee Compensation	0.00	15,200	76,600	0.00	76,000	383,000
FY 2009 Program Maintenance	153.10	8,153,600	57,410,300	153.10	8,212,100	57,705,400
1. E-mail Consolidation	0.00	236,200	236,200	0.00	1,026,200	1,026,200
2. Telephone Services Assessment	0.00	75,000	75,000	0.00	0	0
3. Integrated Property Records Transfer	1.00	82,900	82,900	0.00	0	0
4. Software & Consulting Services	0.00	0	301,000	0.00	0	301,000
5. Core Network Switch	0.00	27,000	27,000	0.00	27,000	27,000
6. Governor's Initiative: Bond Payoff	0.00	0	0	0.00	54,278,200	53,623,000
FY 2009 Total	154.10	8,574,700	58,132,400	153.10	63,543,500	112,682,600
Change from Original Appropriation	1.00	(380,400)	(605,700)	0.00	54,588,400	53,944,500
% Change from Original Appropriation		(4.2%)	(1.0%)		609.6%	91.8%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation					
	153.10	8,955,100	49,783,000	0	58,738,100

Reappropriation

Reappropriation authority, also known as carryover, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carryover requires specific legislative authorization and must be approved every year.

Agency Request	0.00	109,100	1,585,800	0	1,694,900
Governor's Recommendation	0.00	109,100	1,585,800	0	1,694,900

Other Appropriation Adjustments

Transfers a lump sum appropriation of \$500,000 to capital outlay for the purpose of providing a design for the renovation of the Borah Building. It also transfers a lump sum appropriation of \$20,100,600 to operating expenditures and capital outlay for the bond payment related to the Capitol Restoration.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

FY 2008 Total Appropriation					
Agency Request	153.10	9,064,200	51,368,800	0	60,433,000
Governor's Recommendation	153.10	9,064,200	51,368,800	0	60,433,000

Expenditure Adjustments

S1224, Section 3, states that if the amount appropriated to bond payments exceeds the actual expenditures for bond payments, the balance should be reverted to the fund from which it came. These funds were reappropriated in error and have been reverted back to the appropriate fund sources this fiscal year.

Agency Request	0.00	(109,100)	(814,200)	0	(923,300)
Governor's Recommendation	0.00	(109,100)	(814,200)	0	(923,300)

FY 2008 Estimated Expenditures					
Agency Request	153.10	8,955,100	50,554,600	0	59,509,700
Governor's Recommendation	153.10	8,955,100	50,554,600	0	59,509,700

Removal of One-Time Expenditures

Remove funding provided for one-time items.

Agency Request	0.00	(30,000)	(1,662,600)	0	(1,692,600)
Governor's Recommendation	0.00	(30,000)	(1,662,600)	0	(1,692,600)

Base Adjustments

Reflects a reduction in bond payments related to the Ponderosa Park and Industrial Administration Building. Final payments for these bonds occurred in FY2007 and FY2008. It also reflects a transfer of positions and funding between various programs within the department.

Agency Request	0.00	(1,100,000)	0	0	(1,100,000)
Governor's Recommendation	0.00	(1,100,000)	0	0	(1,100,000)

FY 2009 Base					
Agency Request	153.10	7,825,100	48,892,000	0	56,717,100
Governor's Recommendation	153.10	7,825,100	48,892,000	0	56,717,100

Benefit Costs

Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves.

Agency Request	0.00	69,200	271,800	0	341,000
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The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year. In addition, for this agency the Governor recommends that the Division of Human Resources (DHR) fee be reduced by 35% for classified positions, from 0.615% of gross salary to 0.4%, because it has been granted delegated authority by DHR.

Governor's Recommendation	0.00	66,900	262,800	0	329,700
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
Includes funding to replace server consolidation software and hardware.					
Agency Request	0.00	235,700	77,900	0	313,600
Governor's Recommendation	0.00	235,700	77,900	0	313,600
Statewide Cost Allocation					
Reflects changes in Attorney General, State Treasurer, and State Controller fees; and in property and casualty insurance premiums.					
Agency Request	0.00	8,400	(46,400)	0	(38,000)
Governor's Recommendation	0.00	8,400	(46,400)	0	(38,000)
Change in Employee Compensation					
Agencies were instructed to input a CEC based on a 1% calculator.					
Agency Request	0.00	15,200	61,400	0	76,600
The Governor recommends a compensation increase of 5% to be distributed based on merit.					
Governor's Recommendation	0.00	76,000	307,000	0	383,000
FY 2009 Program Maintenance					
Agency Request	153.10	8,153,600	49,256,700	0	57,410,300
Governor's Recommendation	153.10	8,212,100	49,493,300	0	57,705,400
1. E-mail Consolidation			Information Technology & Communications		
The state currently operates over 85 e-mail servers in approximately 40 separate decentralized systems. With the recent release of Microsoft Exchange 2007, agencies will be upgrading their e-mail systems over the next three years, which will require a significant capital investment with new servers and software licensing costs. It is estimated the cost to the state would be about \$737,000. Rather than pursue this decentralized upgrade approach, however, the department is proposing to consolidate as many systems as possible. Through this consolidation effort, it is anticipated that hardware and software costs would be greatly reduced. In addition to the financial benefit to the state, a consolidated system would allow the addition of sophisticated technical features and even some standard features the state cannot employ with its current decentralized systems. These specific features include global addressing, advanced archiving for records retention and e-discovery requirements, statewide calendaring, automated interface with voicemail, as well as increased security, reliability and maintainability. It would also make more efficient use of personnel by relieving the majority of agencies of the burden of managing e-mail and allowing them to concentrate on agency specific applications. Funding is requested to begin the first phase of this three year project. [\$197,400 One-time & \$38,800 Ongoing]					
Agency Request	0.00	236,200	0	0	236,200
Governor's Recommendation	0.00	1,026,200	0	0	1,026,200
2. Telephone Services Assessment			Information Technology & Communications		
Idaho state government currently owns and operates over 60 independent telephone systems. Funding is requested to hire a consultant to assess the existing system from several perspectives: identify potential cost savings that may be realized through changes in contract or purchasing methods; assess current systems for viability and for the potential to serve as a consolidated state phone system; and recommend strategic and tactical initiatives the state could pursue that would improve service and save money. [One-time]					
Agency Request	0.00	75,000	0	0	75,000
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Integrated Property Records Transfer					
Information Technology Resource Mgmt Council					
Transfers one full-time position and salary from the Department of Lands to the Department of Administration for the continued development of the state's Geographic Information System (GIS) Service Center. This center will enhance coordination and services for higher education, state and federal agencies, and local governments. Idaho citizens will also benefit from a reliable source of common geospatial data along with an expert to maintain data and to provide technical assistance.					
In a memorandum, the Department of Lands agreed to provide the GIS Service Center with one full-time position and to cover all personnel related costs from the effective date of the memorandum through November 2007. The Department of Administration agreed to provide work space for the position and to cover operating expenses for hardware and specialized software. The two agencies also agreed to pursue legislation that would formally establish the GIS Service Center within the Department of Administration and would transfer a portion of Land's Integrated Lands Record System to the GIS Service Center. The annual cost of the position is \$71,000. The Department of Lands has agreed to transfer one full-time position and \$50,000 in General Funds to the Department of Administration. An additional \$21,000 in personnel costs and \$11,900 in operating expenditures is requested to cover the ongoing operational costs of the GIS Service Center. [Ongoing]					
Agency Request	1.00	82,900	0	0	82,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Software & Consulting Services					
Information Technology & Communications					
Additional spending authority is requested to allow the department to consolidate purchases of consulting services and antivirus software. The department believes by consolidating the purchase of these products, state resources could be saved in the long-run. [Ongoing]					
Agency Request	0.00	0	301,000	0	301,000
Governor's Recommendation	0.00	0	301,000	0	301,000
5. Core Network Switch					
Information Technology					
The current statewide network lacks redundancy, adequate security, and air conditioning. Funding is requested to purchase a network switch that would allow the department to move functions serving all state agencies into a secure, supportable environment with built in redundancy. This would help reduce the network's exposure to service outages, or network compromise. [\$25,000 One-time & \$2,000 Ongoing]					
Agency Request	0.00	27,000	0	0	27,000
Governor's Recommendation	0.00	27,000	0	0	27,000
6. Governor's Initiative: Bond Payoff					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends one-time funding for the payoff of two bond issues: 1998A Prison Complex (\$50,306,385) and 2001B, Idaho School & Hospital (\$8,030,937). In addition, a base reduction of ongoing moneys for the annual payment of these bonds needs to be reflected as ongoing funds: 1998A (\$4,028,245) and 2001B (\$655,200).</i>					
Governor's Recommendation	0.00	54,278,200	(655,200)	0	53,623,000
FY 2009 Total					
Agency Request	154.10	8,574,700	49,557,700	0	58,132,400
Governor's Recommendation	153.10	63,543,500	49,139,100	0	112,682,600
Agency Request					
Change from Original App	1.00	(380,400)	(225,300)	0	(605,700)
% Change from Original App	0.7%	(4.2%)	(0.5%)		(1.0%)
Governor's Recommendation					
Change from Original App	0.00	54,588,400	(643,900)	0	53,944,500
% Change from Original App	0.0%	609.6%	(1.3%)		91.8%